

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE MEETING – WEDNESDAY 25th JUNE 2003

REPORT OF THE DIRECTOR OF DEVELOPMENT

ASSET MANAGEMENT PLAN 2003

This matter is the responsibility of the Executive Portfolio Holder with responsibilities for Corporate Property matters, Councillor Cavill and affects all the Council's Corporate Priorities.

1. PURPOSE OF REPORT

- 1.1 To note that the required data for 2002/03 for the Asset Management Plan 2003 submission to the Government Office by the July deadline is now largely in place.
- 1.2 To note progress with our 2002 10 Point Action Plan.
- 1.3 To endorse the supported 2003 10 Point Action Plan.

2. PERFORMANCE OF THE PROPERTY PORTFOLIO

- 2.1 The Review Board Meeting on 12th June:-
 - Considered the full range of properties covered by the AMP.
 - Noted that, with the sale of the Creech Paper Mill complex over the last year, the majority of our property is in a sound condition and well maintained, and there is a need for removing the Vivary Park tennis pavilion.
 - Noted the need for an adequate budget for addressing the maintenance backlog (in the order of £1/2 million to be considered alongside other bids for capital and revenue monies this year).
 - Agreed that the current data upon the performance of individual properties be made available to the relevant managers and the Executive Portfolio Holder.
- 2.2 Detailed summary sheets illustrating our progress with our Performance Indicators are attached. (Papers marked Section 6 attached).

3. PROGRESS WITH OUR 2002 ACTION PLAN

- 3.1 The 10 Point Action Plan agreed at the time of the submission of last year's AMP is attached (Paper marked Section 7) and a progress report is thereafter given in respect of each of the action points.
- 3.2 The "Reference Paragraph" refers to paragraphs in the 2002 AMP (copy available if you would contact me prior to the meeting).

4. **OUR 2003 ACTION PLAN**

- 4.1 Although not a Government requirement, we have set ourselves a 10 Point Action Plan for 2003 (attached). We have “rolled forward” issues arising from last year’s programme and would seek your endorsement to this.

5. **RECOMMENDATION**

- 5.1 To note the performance of our property portfolio and need for an adequate repair/maintenance budget to address a backlog.
- 5.2 To note progress being made with the 2002 Action Plan and endorse the 2003 Action Plan.

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18. **PERFORMANCE INFORMATION – NATIONAL & LOCAL PROPERTY**
PERFORMANCE INDICATORS

PERFORMANCE 2002

Outturn

National Indicators:	Indicator			2002/03
1(a). % Gross internal floor space in condition categories A-D.	<u>Category</u>		<u>%</u>	<u>%</u>
	A		36	38
	B		53	54
	C		9	6
	D		2	2
1(b). Backlog of maintenance in priority categories 1-4.	<u>Priority Level</u>	<u>Value (£)</u>	<u>Value as %</u>	<u>%</u>
	1	0	0	
	2	12,000	3.74	0
	3	179,500	55.93	4
	4	129,425	40.33	56
	Total	320,925	100.00	40
2. Overall average internal rate of return (IRR) for industrial and retail investment properties.	<u>Category</u>		<u>IRR</u>	
	Industrial		16.97	16.65
	Retail		16.99	16.65
3(a)/(b). Total management costs per square metre (sq.m) for operational (a) and non-operational property (b).	Owing to an alteration in definition, the information is not yet available			
4(a). Repair and maintenance costs per square metre (sq.m) for operational buildings (including fees).	Owing to an alteration in definition, the information is not yet available			
4(b). Energy costs per square metre (sq.m) for operational buildings.	Max	£165.72/m sq		£138.37/m sq
	Average	£11.27/ m sq		£11.46/ m sq
	Minimum	£0.16/ m sq		£0.00/ m sq
4(c). Water costs per square metre (sq.m) for operational buildings.	Max	£127.77/m sq		£160.42/ m sq
	Average	£15.18/ m sq		£18.03/ m sq
	Minimum	£0.17/ m sq		£0.42/ m sq
4(d). CO ² emissions in tonnes of carbon dioxide per square metre (sq.m) for operational buildings.	Max	1192 kg/m sq		910 kg/m sq
	Average	92 kg/m sq		66 kg/m sq
	Minimum	1 kg / m sq		0 kg/m sq
5(a). % of projects where outturn falls within 5% of the estimated outturn, expressed as a % of the total number of projects completed in the financial year.	100%			100%
5(b). % of projects falling within +5% of the estimated timescale, expressed as a % of the total number of projects completed in the financial year.	100%			100%
Local Indicators:				
1. Number of units void as a % of investment properties.	Industrial		9.67%	11.29%
	Retail		14.28%	19..39%
2. % of rent arrears as a proportion of annual rent income for commercial property.	Owing to an alteration in definition, the information is not yet available			
3(a). % of maintenance spend against total revenue budget.	Owing to an alteration in definition, the information is not yet available			
3(b). % of maintenance spend against total capital value of assets.	Owing to an alteration in definition, the information is not yet available			

19. The AMP Group has identified the poorest performing assets from this table and this information is important for SUMs in considering future bids for resources.

19.1 **Expenditure needed to bring poorest non-investment property and Creech Mills up to standard (A) (ie., lowest property category)**

BUILDINGS - Poorest: Condition/Maintenance	National Indicators 1(a) and 1(b)			Current Situation
LOCATION	Property ODPM Category	Priority Level	Backlog Expenditure	CPO Comment/Likely options for investigation by SUM
Sports Centre, Wellington	C	3	£19,560.00	This money has been made available for use in the 2003/04 financial year
Vivary Park Wooden Shelter Tennis Pavilion	D	2	£12,000.00	This money has not been allocated. The AMP Group are in discussions with the Parks Leisure Team regarding the future of this building
Castle Green Public Convenience	C	3	£2,030.00	No works (except emergency and works necessary to ensure the integrity of the building) to be carried out as this facility is linked to the future of the Municipal Building
North Street Public Convenience Wiveliscombe	C	3	£1,930.00	This figure of £1,930 is for normal maintenance works. Any necessary repairs/maintenance will be action during 2003/04
Canal Road Public Convenience	C	3	£2,040.00	As above
Creech Mills, Creech St Michael	C	2	£564,670.00	The site has been sold

19.2 **Investigations needed into ways of improving efficiency of poorest non-investment property**

BUILDINGS - Poorest: Energy, Water, Emissions	National Indicator	CPO Comment/Likely options for investigation by SUM
Location Station Road Swimming Pool	4(b)	Improve
Public conveniences: Taunton Bus Station French Weir Goodland Gardens North Street Station Road	4(b)(c)(d) 4(b) 4(b) 4(c) 4(b)	Improve

19.3 **Investigations needed to improve the performance of the investment portfolio**

BUILDINGS - Poorest: Arrears/maintenance	Performance Indicator (Local - L National - N)	CPO Comment/Likely options for investigation by SUM
Location Shop at Plain Pond Housing Estate, Wiveliscombe	LPI 1	A design has been prepared for a single two bedroomed property. This property has now been let on a short/medium term lease (3 years) therefore development option has been deferred
Greenway Stores (Shop) at Greenway Housing Estate, Bishops Lydeard	LPI 1 and NI 1(b)	Investigate redevelopment option On going
Old Municipal Buildings, Taunton	LPI 3(a)	Investigation of alternative options On going
Cattle Market 18 units allied to agricultural sector, Taunton	LPI 1 and 2	Investigate redevelopment option On going
Creech Mills	LPI 1, 2 and 3(a)	Sold

SECTION SIX**18. PERFORMANCE INFORMATION – NATIONAL & LOCAL PROPERTY
PERFORMANCE INDICATORS****PROJECTED OUTTURNS 2003/04**

National Indicators:	Indicator			Target
1(a). % Gross internal floor space in condition categories A-D.	<u>Category</u>		<u>%</u>	<u>%</u>
	A		38	39
	B		54	55
	C		6	6
	D		2	0
1(b). Backlog of maintenance in priority categories 1-4.	<u>Priority Level</u>	<u>Value (£)</u>	<u>Value as %</u>	<u>Target as %</u>
	1	0	0	0
	2	12,000	4	0
	3	179,500	56	58
	4	129,425	40	42
	Total	320,925	100.00	
2. Overall average internal rate of return (IRR) for industrial and retail investment properties.	<u>Category</u>		<u>IRR</u>	
	Industrial		16.65	17
	Retail		16.65	17
3(a)/(b). Total management costs per square metre (sq.m) for operational (a) and non-operational property (b).	Owing to an alteration in definition, the information is not yet available			
4(a). Repair and maintenance costs per square metre (sq.m) for operational buildings (including fees).	Not yet available			
4(b). Energy costs per square metre (sq.m) for operational buildings.	Max	£138.37/m sq		£138.37/m sq
	Average	£11.46/ m sq		£11.46/ m sq
	Minimum	£0.00/m sq		£0.00/ m sq
4(c). Water costs per square metre (sq.m) for operational buildings.	Max	£160.42/m sq		£160.42/ m sq
	Average	£18.03/ m sq		£18.03/ m sq
	Minimum	£0.42/ m sq		£0.42/ m sq
4(d). CO ² emissions in tonnes of carbon dioxide per square metre (sq.m) for operational buildings.	Max	910 kg/m sq		910 kg/m sq
	Average	66 kg/m sq		66 kg/m sq
	Minimum	0 kg/m sq		0 kg/m sq
5(a). % of projects where outturn falls within 5% of the estimated outturn, expressed as a % of the total number of projects completed in the financial year.	100%			100%
5(b). % of projects falling within +5% of the estimated timescale, expressed as a % of the total number of projects completed in the financial year.	100%			100%
Local Indicators:				
1. Number of units void as a % of investment properties.	Industrial	11.29%		10%
	Retail	19.39%		15%
2. % of rent arrears as a proportion of annual rent income for commercial property.	Owing to an alteration in definition, the information is not yet available			
3(a). % of maintenance spend against total revenue budget.	Owing to an alteration in definition, the information is not yet available			
3(b). % of maintenance spend against total capital value of assets.	Owing to an alteration in definition, the information is not yet available			

SECTION SIX**18. PERFORMANCE INFORMATION – NATIONAL & LOCAL PROPERTY
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1(a). % Gross internal floor space in condition categories A-D.	<u>Category</u>		<u>%</u>	<u>%</u>
	A		36	36.6%
	B		53	53.7%
	C		9	8.5%
	D		2	1.2%
1(b). Backlog of maintenance in priority categories 1-4.	<u>Priority Level</u>	<u>Value (£)</u>	<u>Value as %</u>	<u>Target as %</u>
	1	0	0	0
	2	576,670	60.72	60
	3	235,950	24.84	24
	4	137,165	14.44	16
	Total	949,785	100.00	
2. Overall average internal rate of return (IRR) for industrial and retail investment properties.	<u>Category</u>		<u>IRR</u>	
	Industrial		16.97	17
	Retail		16.99	17
3(a)/(b). Total management costs per square metre (sq.m) for operational (a) and non-operational property (b).	<u>Category</u>	<u>Last Year*</u>	<u>£/sq m</u>	
	Operational	(£8.18/m ²)	£1.38 m ²	£1.25 m ²
	Non-operational		£2.25 m ²	£2.00 m ²
4(a). Repair and maintenance costs per square metre (sq.m) for operational buildings (including fees).			£16.33/sq.m	£16 sq m
4(b). Energy costs per square metre (sq.m) for operational buildings.			£5.79m ³	£5 m ³
4(c). Water costs per square metre (sq.m) for operational buildings.			£2.70m ³	£2 m ³
4(d). CO ₂ emissions in tonnes of carbon dioxide per square metre (sq.m) for operational buildings.		Last year* (461.01 kg/CO ₂ / m ³)	51.48kg/m ²	48.00 kg/m ²
5(a). % of projects where outturn falls within 5% of the estimated outturn, expressed as a % of the total number of projects completed in the financial year.			100%	100%
5(b). % of projects falling within +5% of the estimated timescale, expressed as a % of the total number of projects completed in the financial year.			100%	100%
Local Indicators:				
1. Number of units void as a % of investment properties.	Industrial - (8.75%)**		9.67%	9%
	Retail - (8.75%)**		14.28%	12%
2. % of rent arrears as a proportion of annual rent income for commercial property.	Last year (9.41%)*		15.21%	14%
3(a). % of maintenance spend against total revenue budget.	(10.10%)*		25.22%	25%
3(b). % of maintenance spend against total capital value of assets.	(0.90%)*		5.7%	5.5%

* Last year's number of assets was incomplete and, therefore, comparison is difficult.

** Last year's figures in brackets.

19. The AMP Group has identified the poorest performing assets from this table and this information is important for SUMs in considering future bids for resources.

19.1 **Expenditure needed to bring poorest non-investment property and Creech Mills up to standard (A) (ie., lowest property category)**

BUILDINGS - Poorest: Condition/Maintenance	National Indicators 1(a) and 1(b)			
LOCATION	Property ODPM Category	Priority Level	Backlog Expenditure	CPO Comment/Likely options for investigation by SUM
Sports Centre, Wellington	C	3	£19,560.00	Maintain
Vivary Park Wooden Shelter Tennis Pavilion	D	2	£12,000.00	Removal/Replacement
Castle Green Public Convenience	C	3	£2,030.00	Maintain
North Street Public Convenience Wiveliscombe	C	3	£1,930.00	Maintain
Canal Road Public Convenience	C	3	£2,040.00	Maintain
Creech Mills, Creech St Michael	C	2	£564,670.00	Units 4-17 and 24-29 (investigate disposal option) Units 18-23 (investigate maintenance/disposal option and RDA involvement)

19.2 **Investigations needed into ways of improving efficiency of poorest non-investment property**

BUILDINGS - Poorest: Energy, Water, Emissions	National Indicator	CPO Comment/Likely options for investigation by SUM
Location Station Road Swimming Pool	4(b)	Improve
Public conveniences: Taunton Bus Station French Weir Goodland Gardens North Street Station Road	4(b)(c)(d) 4(b) 4(b) 4(c) 4(b)	Improve

19.3 **Investigations needed to improve the performance of the investment portfolio**

BUILDINGS - Poorest: Arrears/maintenance	Performance Indicator (Local - L National - N)	CPO Comment/Likely options for investigation by SUM
Location Shop at Plain Pond Housing Estate, Wiveliscombe	LPI 1	Investigate redevelopment option
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Old Municipal Buildings, Taunton	LPI 3(a)	Investigate alternative options
Cattle Market 18 units allied to agricultural sector, Taunton	LPI 1 and 2	Investigate redevelopment option
Creech Mills	LPI 1, 2 and 3(a)	Investigate alternative options

AMP 2002

SECTION SEVEN

10 POINT ACTION PLAN JULY 2002-2005

Strategic Action

	Reference Paragraph	Action Required	Responsibility	Target Date	Priority High/Medium/Low
1	10.5, 10.6	Implement programme of improvements to Asset Register and to update survey information	Chief Architect (SUM)	May 2003	00
2	15.3.1, 5.2.1	Complete Space Audit and review of data storage and archiving priorities. Investigate initiatives such as hot desking, home working and e:governance to reduce workspace requirements.	Chief Architect (SUM)	May 2003	00
3	15.3.1, 5.2.1	Recommend formal maintenance programmes for the 2003/04 budget. Target repairs and maintenance budgets at assets that are likely to remain a part of the portfolio in the long term	AMP Group	November 2002	000
4	15.3.1, 9.2	Investigate expansion scheme for expansion of Council's indoor tennis facilities and provision of adequate car parking	Head of Commercial Services (SUM)	June 2002	00
5	15.3.1, 6.1	Complete grant-giving review (capital and revenue)	Head of Financial Services (SUM)	March 2003	00
6	15.3.1	Identify additional funding requirements to meet compliance with the Disability Discrimination Act	Director of Community Services	September 2002 September 2003	00
7	15.3.1	Identify replacement/development programme and partnerships for employment sites and premises to serve areas of need (North and East Taunton, Chelston, Wellington and rural areas)	Policy and Regeneration Manager (SUM)	September 2003	00
8	4.4, 11.5, 5.2.1, 19	Investigate options for the poorest performing properties in the portfolio	AMP Group and SUMs	Review progress Spring each year (complete 2005)	00
9	5.2.2	Investigate provision of a more integrated property service	CPO	December 2002	00
10	11.8	Develop local pPIs to monitor stakeholder consultation and user satisfaction.	AMP Group	May 2003	00

20.2 Ongoing Actions

	Reference Paragraph	Action Required	Responsibility	Ongoing	Priority High/Medium/Low
1	3.5, 10.9	Ongoing investigation of opportunities to enter into partnership agreements with external delivery organisations with a view to securing more efficient use of assets and development of partnership working with SW Network Group and Somerset Property Partnership Group. This should improve cross-service asset use, training benchmarking and e:government programme implementation	AMP Group	Review each 6 months	00
2	10.3, 15.3.1	Review and refine the SWOT analysis questionnaire (including links with stakeholders/implications of e:government on space utilisation)	AMP Group	Review each 6 months	00
3	AMP Process	1. Consider 'feedback' on AMP and compare pPis with those of other similar authorities	AMP Group	Autumn each year	000
		2. AMP Group co-ordinates for CMT additions to capital programme and amendments to Revenue Budget which arise from Service Plans and Best Value Reviews	AMP Group	October/ November	000
		3. Amendments/additions to budget (capital and revenue) discussed with relevant Executive Councillor	AMP Group and Executive portfolio holder	November	00
		4. Capital Project Appraisal reports submitted to Executive on potential additions to the Capital Programme	AMP Group	November	00
		5. Revenue Budget and Capital Programme agreed by Executive and Full Council	Council	February	000
		6. Targets set for forthcoming financial year's pPis	AMP Group and Executive portfolio holder	February	000
		7. Ensure that pPis discussed with SUMs in order to direct resources in the current financial year towards problem areas and to realise opportunities (in accordance with AMP criteria) and to meet targets.	AMP Group and SUMs	Spring each year	000
		8. Produce annual AMP	AMP Group	July each year	000
		9. pPis calculated and performance reviewed each quarter.	AMP Group and Executive portfolio holder	Each quarter April, July, October and January	00

Key - Priorities determined by CPO and Executive portfolio holder:

High 000
Medium 00
Low

